

NOTICE TO INTERESTED PARTIES

This solicitation is provided to you for information purposes. If interested in responding to this solicitation, you will need to register your company with the Hawaii Electronic Procurement System (HePS). The HePS shall maintain the list of vendors, who have registered for this solicitation. If you do not register your company, you will not receive addenda, if any, and your offer may be rejected and not considered for award. Registration information is available at the State Procurement Office website: www.spo.hawaii.gov; click on Hawaii Electronic Procurement System (HePS).

STATE PROCUREMENT OFFICE

LEGAL AD DATE: March 16, 2007

INVITATION FOR BIDS
NO. IFB-07-051-SW

SEALED OFFERS
FOR
FURNISHING
CDL AND NON-CDL DRUG & BREATH ALCOHOL TESTING
FOR STATE EMPLOYEES

WILL BE RECEIVED UP TO AND OPENED AT 2:00 P.M. (HST) ON
MARCH 30, 2007

IN THE STATE PROCUREMENT OFFICE, KALANIMOKU BUILDING, 1151 PUNCHBOWL STREET, ROOM 416, HONOLULU, HAWAII 96813. DIRECT QUESTIONS RELATING TO THIS SOLICITATION TO MS. BONNIE KAHAKUI, TELEPHONE (808) 587-4702, FACSIMILE (808) 586-0570 OR E-MAIL bonnie.a.kahakui@hawaii.gov.

RUTH E. YAMAGUCHI
Procurement Officer

IFB-07-051-SW

Name of Company

FURNISH CDL AND NON-CDL DRUG & BREATH ALCOHOL TESTING
FOR EMPLOYEES STATEWIDE
IFB-07-051-SW

Procurement Officer
State Procurement Office
State of Hawaii
Honolulu, Hawaii 96813

Dear Sir:

The undersigned has carefully read and understands the terms and conditions specified in the Specifications and Special Provisions attached hereto, the SPO General Provisions and the AG General Conditions, Form AG-008 Rev. 11/03/06 attached separately; and hereby submits the following offer to perform the work specified herein, all in accordance with the true intent and meaning thereof. The undersigned further understands and agrees that by submitting this offer, 1) he/she is declaring his/her offer is not in violation of Chapter 84, Hawaii Revised Statutes, concerning prohibited State contracts, and 2) he/she is certifying that the price(s) submitted was (were) independently arrived at without collusion.

Offeror is:

☐ Sole Proprietor ☐ Partnership ☐ *Corporation ☐ Joint Venture

☐ Other _____

*State of incorporation: _____

Hawaii General Excise Tax License I.D. No. _____

Payment address (other than street address below): _____
City, State, Zip Code: _____

Business address (street address): _____
City, State, Zip Code: _____

Respectfully submitted:

Date: _____ (x) _____
Authorized (Original) Signature

Telephone No.: _____
Fax No.: _____
Name and Title (Please Type or Print)

E-mail Address: _____
** _____
Exact Legal Name of Company (Offeror)

**If Offeror is a "dba" or a "division" of a corporation, furnish the exact legal name of the corporation under which the awarded contract will be executed:

The following is hereby submitted to Furnish CDL and NON-CDL Drug & Breath Alcohol Testing for State Employees located on the Islands of Oahu, Hawaii, Maui, Kauai, Molokai and Lanai:

ITEM NO.	DESCRIPTION	ANNUAL ESTIMATED REQUIREMENTS	UNIT BID PRICE	ESTIMATED TOTAL BID PRICE
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GROUP I – Substance Abuse Tests (Basic Fee)

1. Laboratory Test and collection for urine specimen(s) to include Screening Test and Confirmatory Test for Amphetamines, Cocaine Metabolites, Marijuana Metabolites, Opiate Metabolites and Phencyclidine as specified in Specifications herein. Specimen Collection Service performed at Contractor's collection or Employer worksites, Sunday through Saturday, at a designated collection site during normal operational hours or at all times at a 24 hour facility. Collections shall be pursuant to 49 CFR Part 40.

- | | | | |
|---|------------|---------|---------|
| a. CDL Federal Certified Laboratory
(projected start date 1/1/08) | 180 tests* | \$_____ | \$_____ |
| b. Non-CDL Federal Certified Laboratory
(projected start date 4/15/07) | 765 tests* | \$_____ | \$_____ |
| c. Non-CDL State Certified Laboratory
(projected start date 8/1/07) | 110 tests* | \$_____ | \$_____ |

*Each test includes a screening test and confirmatory test when required, counted as one (1) test. Therefore, both tests will count as one (1) test and will be billed as one (1) test by the Contractor.

Note: The provision for "Testing for Other Drugs" on page SP-2 of the Special Provisions shall apply when Federal regulations require testing of other drug(s) in addition to drugs listed above.

GROUP II– Specimen Testing Collection Services (Site Supplemental Fee)

2. Specimen Collection Service performed at Employer worksites, Monday through Friday, 7:00 a.m through 5:00 p.m. Collections shall be pursuant to 49 CFR Part 40.

215 tests \$_____ \$_____

3. Specimen Collection Service performed at Employer worksites, other than Monday through Friday, 7:00 a.m. through 5:00 p.m. Collections shall be pursuant to 49 CFR Part 40.

128 tests \$_____ \$_____

Offeror _____
Name of Company

ITEM NO.	DESCRIPTION	ANNUAL ESTIMATED REQUIREMENTS	UNIT BID PRICE	ESTIMATED TOTAL BID PRICE
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GROUP III – Breath Alcohol Testing (Basic Fee)

4. Breath Alcohol Test performed at Contractor's site or Employer worksites, Sunday through Saturday, at a designated collection site during normal operational hours or at all times at a 24 hour facility. EBT shall be pursuant to 49 CFR Part 40.

435 tests* \$_____ \$_____

GROUP IV – Breath Alcohol Testing Services (Site Supplemental Fee)

5. Breath Alcohol Test performed at Employer worksites, Monday through Friday, 7:00 a.m. through 5:00p.m. EBT shall be pursuant to 49 CFR Part 40.

108 tests* \$_____ \$_____

6. Breath Alcohol Test performed at Employer worksites, other than Monday through Friday, 7:00 a.m. through 5:00 p.m. EBT shall be pursuant to 49 CFR Part 40.

64 tests* \$_____ \$_____

*Annual estimated number of tests includes screening test and confirmatory test counted as one test. Therefore, one (1) screening test and one (1) confirmatory test performed for an employee equals two (2) tests that will be charged by the Contractor.

GROUP V – Expert Testimony

7. Expert Testimony by Ph.D. or M.D., as specified in Specifications herein.

30 days* \$_____ \$_____

8. Expert Testimony by Technologist, as specified in Specifications herein.

30 days* \$_____ \$_____

*A day is equal to eight (8) hours of work per day, which shall include preparation, travel time and actual testimony.

Offeror _____
Name of Company

ITEM NO.	DESCRIPTION	ANNUAL ESTIMATED REQUIREMENTS	UNIT BID PRICE	ESTIMATED TOTAL BID PRICE
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GROUP VI – Random Selection Process

9. Services to establish and maintain a scientific random selection process for random testing pools as required by agency jurisdiction with no more than 300 employees for random selection.

50 selections* \$_____ \$_____

10. Services to establish and maintain a scientific random selection process for random testing pools as required by agency jurisdiction with over 300 employees for random selection.

50 selections* \$_____ \$_____

*Cost each selection to the agency will be for each pickup/selection service performed by the Contractor on the date set by the Director or Department Coordinator. Such Contractor's charges shall be all inclusive cost to the agency for all materials, labors, taxes, computer software and hardware, reports, filing, etc., that the Contractor may incur in establishing and maintaining scientific random selection file for each agency.

ESTIMATED TOTAL SUM BID FOR GROUPS

I, II, III, IV, V & VI (Items 1 through 10)\$_____ \$_____

GROUP VII – MRO Services

11. MRO services as specified on pages S-10 through S-12 of the Specifications.

1055 Test Results \$_____ \$_____

Note: Offerors are advised that 49 CFR Part 40 prohibits relationships between laboratories and MROs that may have or create the appearance of conflict of interest. Therefore, award cannot be made to the same vendor for Items 1 through 10, and Item 11. Accordingly, the responsive, responsible offeror submitting the lowest bid for Item 1 through 10 shall be disqualified from receiving award for Item 11. (See "Method of Award" in Special Provision.)

Offeror _____
Name of Company

Offeror shall complete the following:

1. Offeror's Office Address: _____
Contact Person: _____
Phone: _____ Fax: _____ Email: _____

2. Addresses of designated collection sites:
(Refer to Specifications, page S-5, COLLECTION SITES and Special Provisions, page SP-3, Collection Sites.

- a. Oahu:
Windward District: _____
Leeward District: _____
Central Honolulu District: _____
East Honolulu District: _____
- b. Kauai: Lihue: _____
- c. Maui: Wailuku: _____
- d. Hawaii:
Hilo District: _____
South Kona District: _____
Waimea: _____
- e. Molokai:* _____
- f. Lanai:* _____

*Desirable but optional

3. List names and addresses of three (3) government agencies or companies for whom Offeror has provided or is currently providing drug and breath alcohol testing, including MRO services:

<u>Firm or Agency</u>	<u>Contact Person</u>	<u>Telephone No.</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

4. List at least two (2) Ph.D.'s or M.D.'s and two (2) Technologists who will provide expert testimony under this contract:

<u>Name</u>	<u>Years of Phone Number</u>	<u>Experience</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

5. List a minimum of two (2) Hawaii State licensed MROs who will be providing MRO services under this contract:

<u>Name</u>	<u>MRO License Number</u>	<u>Years of Experience</u>
_____	_____	_____
_____	_____	_____

6. Liability insurance is carried by:

Commercial General Liability _____

7. Refer to Special Provisions, page SP-8, **ORDERING**. Offeror has the capability to accept procurement/credit cards in addition to purchase orders:

Yes _____ No _____

Offeror _____
Name of Company

WAGE CERTIFICATE
FOR SERVICE CONTRACTS
(See Special Provisions)

Subject: IFB/RFP No.: IFB-07-051-OHMK

Title of IFB/RFP: Furnish CDL AND NON-CDL Drug & Breath Alcohol Testing for State Employees

Pursuant to Section 103-55, Hawaii Revised Statutes (HRS), I hereby certify that if awarded the contract in excess of \$25,000, the services to be performed will be performed under the following conditions:

1. All applicable laws of the federal and state governments relating to workers' compensation, unemployment compensation, payment of wages, and safety will be fully complied with; and
2. The services to be rendered shall be performed by employees paid at wages or salaries not less than the wages paid to public officers and employees for similar work, with the exception of professional, managerial, supervisory, and clerical personnel who are not covered by Section 103-55, HRS.

I understand that failure to comply with the above conditions during the period of the contract shall result in cancellation of the contract, unless such noncompliance is corrected within a reasonable period as determined by the procurement officer. Payment in the final settlement of the contract or the release of bonds, if applicable, or both shall not be made unless the procurement officer has determined that the noncompliance has been corrected; and

I further understand that all payments required by Federal and State laws to be made by employers for the benefit of their employees are to be paid in addition to the base wage required by section 103-55, HRS.

Offeror _____

Signature _____

Title _____

Date _____

TAX EQUALIZATION CERTIFICATE

SUBJ: Offer No.: IFB/RFP- IFB-07-051-SW

Description: CDL and Non-CDL Drug & Breath Alcohol Testing for State Employees

Out-of-state Offerors not possessing a Hawaii General Excise Tax (hereinafter "GET") license must answer all questions:

- | | <u>Yes</u> | <u>No</u> | |
|---|-----------------|-----------|--|
| | check only one) | | |
| 1. Does your business have an office, inventory, property, employees, or other representation in the State of Hawaii (hereinafter "SOH")? | _____ | _____ | |
| 2. Does the contract to be awarded require your business to have an office, inventory, property, employees, or other representation in the SOH? | _____ | _____ | |
| 3. Does your business provide services in conjunction with the sales of property, such as training, installation or repairs in the SOH? | _____ | _____ | |
| 4. Will your business provide any services in the SOH under the contract to be awarded? | _____ | _____* | |

*If the entire services are to be subcontracted, subject to the State's approval, provide the names of the subcontractor(s):

If you answered "Yes" to any question, then you have sufficient presence in the State and are advised that the gross receipts derived from this solicitation are subject to the GET imposed by Chapter 237, Hawaii Revised Statutes (hereinafter "HRS"), at the current 4.5% rate for sales made on Oahu, and/or at the current 4% rate for sales made on the island of Hawaii, Maui, Kauai, Molokai, and Lanai; where applicable to tangible property imported into the SOH for resale, subject to the current 1/2% use tax imposed by Chapter 238, HRS.

If you answered "No" to all questions, then the taxpayer preference provision described in Section 103-1008, HRS, applies to you.

Offeror _____

Signature _____

Title _____

Date _____

SPECIFICATIONS
CDL AND NON-CDL DRUG & BREATH ALCOHOL TESTING

I. DEFINITIONS

"Air blank" means a reading by an EBT of ambient air containing no alcohol.

"Alcohol" means the intoxicating agent in beverage alcohol, ethyl alcohol or other low molecular weight alcohols including methyl or isopropyl alcohol.

"BAT technician" means an individual who instructs and assists individuals in the alcohol testing process and operates an EBT.

"Breath Alcohol Concentration (BAC)" means the level of alcohol presence in an individual.

"Chain of custody" means procedures to account for the integrity of each urine specimen by tracking its handling and storage from point of specimen collection to final disposition of the specimen. With respect to drug testing, these procedures shall require that an appropriate drug testing custody form be used from time of collection to receipt by the laboratory and that upon receipt by the laboratory an appropriate laboratory chain of custody form(s) account(s) for the sample(s) within the laboratory in accordance with the U.S. Department of Health and Human Services and the DOT's FMCSA.

"Collection site" means a place designated by the Director where individuals present themselves for the purpose of providing a specimen of their urine to be analyzed for the presence of drugs.

"Confirmation (or confirmatory test)" means, in controlled substances testing, a second analytical procedure to identify the presence of a specific drug or metabolite that is independent of the screening test and that uses a different technique and chemical principle from that of the screening test in order to ensure reliability and accuracy. (Gas Chromatography/mass spectrometry (GC/MS) is the only authorized confirmation method for cocaine, marijuana, opiates, amphetamines, phencyclidine.) Where a BAC 0.02 or greater EBT alcohol screening test was recorded, a second EBT confirmatory test shall be accomplished after an elapse of 15 minutes but no more than 20 minutes of the screening test provides quantitative data of alcohol concentration.

"Department of Transportation (DOT)" means the United States Department of Transportation.

"Designated Employer Representative (DER)" means the person designated by the department or agency head to coordinate the Department's drug and alcohol testing program. The DER receives test results from the Contractor or the MRO and takes appropriate action upon receipt of such information.

"Director" means the Director of Human Resources Development or designee for the State.

"Employee" means an individual occupying or selected for a safety-sensitive position.

"Employer" means the State of Hawaii.

"EBT (or evidential breath testing device)" means an EBT approved by the National Highway Traffic Safety Administration (NHTSA) for the evidential testing of breath and placed on NHTSA's "Conforming Products List of Evidential Breath Management Devices" (CPL).

"HSPT" means an employee in a Health, Safety or Public Trust position.

"Medical Review Officer (MRO)" means a licensed physician responsible for receiving laboratory results generated by the employer's drug testing program who has knowledge of substance abuse disorders and has appropriate medical training to interpret and evaluate an individual's confirmed positive test result together with his/her medical history and any other relevant biomedical information.

"Memorandum of Agreement (MOA)" means the agreements between the State and the respective employee associations in the implementation of employee alcohol and drug testing.

"Screening test (or initial test)" means in drug testing, an immunoassay screen to eliminate "negative" urine specimens from further analysis. In alcohol testing, an analytic procedure to determine whether an employee may have a prohibited concentration of alcohol in a breath specimen.

II. SCOPE OF WORK

The State of Hawaii is seeking a Contractor who shall provide drug and breath alcohol collection and testing services which meet the requirement found in the Omnibus Transportation Employee Testing Act of 1991 and the Federal Department of Transportation 49 CFR Part 40, and the Department of Health and Human Services Rules promulgated thereunder, as amended and memorandum of agreements with employee associations. Services to be provided shall include:

- A. Collection of urine specimens at Contractor's designated collection sites (Contractor must comply with the requirements of the Specifications on page S-5 for locations of the collection sites throughout the State).
- B. Collection of urine specimens at employer work sites and times designated by the Director or Designated Employer Representative (DER).
- C. Obtain EBT BAC recordings at Contractor's designated collection sites. (Contractor must comply with the requirements of the Specifications on page S-5 for locations of the collection sites throughout the State). These collection sites may be the same collection sites designated by the Contractor for urine specimen collection.
- D. Obtain EBT BAC recordings at employer work sites and at times designated by the Director or Designated Employer Representative (DER).
- E. Ensuring compliance to the chain-of-custody requirements of the specimen(s).
- F. Referral of all test results to the Medical Review Officer as designated by the Director and/or DER.
- G. Provide expert testimonies before the Merit Appeals Board, Hawaii Public Employee Relations Board (HPERB), arbitration or grievance proceeding (or

similar body) or court of law as required on behalf of the State regarding the methodology and findings of the urinalysis or alcohol screening and confirmation services provided by the Contractor.

- H. Establish a scientific random selection process for random test requirements by agency jurisdiction and random select pools pursuant to union agreements. The Director shall determine the percent of employees to be tested and the frequency of test per continuous 12-month period. The selection process to include a means to account for vacancies and leave status of employees to meet annual alcohol and controlled substance requirements. The percent of numbers of individuals tested for annual alcohol abuse or drug use may be adjusted pursuant to modifications to the memorandum of agreement. Current numbers for testing are reflected on page OF-2.

On random testing, the Contractor may arrange with the Director or DER to perform work-site collection of urine specimens and/or EBT Testing. Under this situation, the Director shall provide for collection/testing site(s) that meet(s) Federal requirements for security, privacy and integrity as specified on page S-7.

- I. Establish data security program. Test data and employee records are CONFIDENTIAL. Test data are proprietary information of each jurisdiction and shall only be released to the applicable DER. All requests for information shall be referred to the respective DER. Employee confidential rights shall be in accordance with federal DOT and DHHS rules.
- J. Document test data on prescribed forms. Test reports and management information system (MIS) shall be as prescribed in referenced documents. The Director may require additional data and data formats.
- K. In the absence of certified Department of Health protocols on alcohol BAC determinations, 49 CFR Part 40 and the federal Department of Health and Human Services shall be used.
- L. Where the testing service is paid by an employee (split testing) or applicant (pre-employment) the contractor shall collect laboratory and MRO fees and forward the MRO fees to the MRO.

III. DETAILED SPECIFICATIONS

A. Circumstances for Drug and Breath Alcohol Testing

Employees are subject to the following bargaining unit agreements and executive order drug and alcohol tests, as applicable.

1. Pre-employment. Not part of the agreement, however, applicants may be subject to controlled substance test as part of the employment qualification process.
2. Pre-Recruitment Training. Controlled substance testing prior to reporting for recruit training.

3. Post-Recruit Training. Controlled substance testing upon completion of recruit training and prior to reporting to an assigned workplace.
4. Prior to Reporting to Work at the Assigned Workplace. A controlled substance test is required prior to placement to assigned workplace.
5. Probationary. Controlled substance testing of employees in their probationary period.
6. Reasonable Suspicion Testing. Whenever the employer has reasonable suspicion that an employee has breached the prohibition, the employee may be subjected to alcohol and/or controlled substance test(s).
7. Post-Accident/Altercation Testing. The testing of drivers involved in a motor vehicle accident or employee involved in an altercation as defined in the applicable Memorandum of Agreement with an employee organization.
8. Random Testing. The contractor shall use a scientifically valid random number selection method to select employees for the random test. Under the selection process, each employee shall have an equal chance of being tested each time selections are made and shall remain in the pool, even after being tested. The contractor shall inform the Contractor Administrator or applicable DER of a testing requirement at least one day prior to scheduled testing.
9. Return to Duty Testing. Before any employee is allowed to return to duty.
10. Follow-up Testing. An employee is subject to unannounced follow-up testing at a minimum of 6 tests in the first 12 months, but not more than 60 months following return to duty.
11. Other tests as may required by subsequent MOA.

B. Testing Procedures

The Contractor shall adhere to all standards of confidentiality and assure all employees that testing records and results are released only to those authorized by Federal Department of Transportation and DHHS rules to receive such information. Testing shall be conducted pursuant to 49 CFR Part 40, incorporated herein by reference. Testing shall be conducted for the following drugs:

1. Marijuana
2. Cocaine
3. Opiate
4. Phencyclidine (PCP)
5. Amphetamines

Alcohol and controlled substance testing shall be at Contractor's sites. A department may schedule testing at the employer's worksite provided that testing requirements meet DOT/DHHS testing requirement.

Contractor's personnel at the collection site shall be responsible for the integrity of the specimen collection and transfer process, and for ensuring the dignity and privacy of the donor. Contractor personnel must be thoroughly trained to prepare the collection site, collect specimens, examine specimens for tampering or sample adulteration, observe collections, split the specimens, and properly label and preserve chain of custody of specimens pursuant to 49 CFR Part 40 regulations.

Contractor's personnel shall provide employees subject to testing with written instructions setting forth their responsibilities.

Urine specimen collected shall be split and poured into two specimen bottles. This will provide an employee with the option of having an analysis of the split sample performed at the same or at a different laboratory certified, by the Federal Department of Health and Human Services should the primary specimen test result be verified positive. (Where the State of Hawaii, Department of Health certified laboratory is indicated another DOH certified laboratory may be utilized.) Employees shall have 72 hours after being informed by the MRO of a verified positive test to request testing of the split sample. The employee pays for the testing of the split sample. The contractor collects from the employee the cost for testing of the split including the MRO fees and forwards such fees to the MRO.

The contractor shall collect controlled substance and MRO fees from an applicant in pre-employment testing and forward MRO fees to the MRO.

C. Collection Sites

Contractor shall have at a minimum, a designated collection site at the following locations:

<u>Island</u>	<u>Location</u>
Oahu	Windward District Leeward District Central Honolulu District East Honolulu District
Kauai	Lihue
Maui	Wailuku
Hawaii	Hilo District South Kona District Waimea

One collection site per island that is centrally located, shall have 24 hour operational capability for urine collection and breath alcohol testing.

D. Laboratory Analysis Procedures

A combination of immunoassay screening with confirmation by gas chromatography/mass spectrometry (GC/MS) shall be utilized by drug testing. Testing shall be done by a laboratory certified by the Federal Department of Health and Human Services. GC/MS cutoff values have been established for each of the analyses listed. Any result at or above the GC/MS cutoff level confirms the positive EMIT (Enzyme Multiplied Immunoassay Technique) screening test and indicates the presence of a drug within the drug class. (Where SOH DOH certified laboratories are used the cut off values shall be that of the DOH.)

E. Specimen Transportation

Collection site personnel shall arrange to transport the specimens to Federal or State certified testing site/laboratories pursuant to 49 CFR Part 40 rules. The specimens must be placed in containers designed to minimize the possibility of damage during transport, and be securely sealed. Contractor shall comply with applicable federal regulations pertaining to transportation of specimens from collection site to the laboratory.

F. Drug Test Results

The Contractor shall submit written notification of drug test results within seventy-two (72) hours or in a timely manner from the time the specimen is received in the laboratory. A chain of custody will be initiated and maintained for the reporting and delivery of test results. All reports shall be enclosed in envelopes, sealed and addressed to the Medical Review Office designated by the Director.

G. Summary of Urinalysis Testing (Quarterly Reports)

Contractor's laboratory shall provide the Director an aggregate quarterly statistical summary of urinalysis testing of the employer's employees. The laboratory shall provide the report to the Director not more than 14 calendar days after the end of the quarter covered by the summary. Laboratory confirmation data only shall be included from test results reported within that quarter. The summary shall contain only the following information:

1. Number of specimens received for testing;
2. Number of specimens confirmed positive for:
 - a) Marijuana;
 - b) Cocaine;
 - c) Opiates;
 - d) Phencyclidine;
 - e) Amphetamines.
3. Number of amphetamines determined to be methamphetamines.
4. Number of specimens for which a test was not performed.

Quarterly reports shall not contain personal identifying information or other data from which it is reasonably likely that information about individuals' tests can be readily inferred.

H. **Prescribed Forms**

Contractor shall use the forms prescribed by 49 CFR Part 40, as applicable.

I. **Breath Alcohol Testing Services**

Alcohol tests shall be performed using the screening and evidential testing devices approved by the National Highway Traffic Safety Administration (NHTSA). These tests shall be performed by certified trained breath alcohol technicians pursuant to 49 CFR 40.

J. **Evidential Breath Testing (EBT) Devices**

All testing equipment and devices used, and procedures applied shall be pursuant to 49 CFR 40.

K. **Security**

Absolute security is essential during the collection, transporting, laboratory testing and storage of the sample. The Contractor shall maintain a "chain of custody" throughout the collection, transporting, laboratory testing and storage of the specimen pursuant to 49 CFR 40.

L. **Specimen Storage**

Specimens will be stored and discarded by the Contractor in accordance with 49 CFR Part 40.

IV. **GENERAL REQUIREMENTS**

1. Contractor must be knowledgeable of the mechanics and the use of test equipment and test methodology, as referenced. Where differences in testing requirements occur, the Joint Jurisdictional Drug and Alcohol Policy shall prevail. The Director may change or alter a process or procedure.
2. The Director may waive certain policy test site collection conditions as referenced to facilitate specimen collection or evidential breath tests (EBT), provided that the integrity of the specimen is assured.
3. Contractor shall make all necessary preparations to accommodate the number of employees that are expected to report for drug and/or breath alcohol testing to a designated collection site. For this reason the following estimated number of public employees is provided:

<u>Island</u>	<u>District</u>	<u>Number of Collection Site</u>	<u>Employees</u>
Oahu	Windward	1	1690
	Leeward	1	
	Honolulu	3	
Kauai		1	110
Maui		1	175
Hawaii	Hilo	1	325
	Waimea	1	
	South Kona	1	
Molokai*		0	11
Lanai*		0	4

*For the islands of Molokai and Lanai, employees requiring drug and alcohol testing may report to Maui or Oahu collection sites. The Director and/or DER having jurisdiction over employees on the islands of Molokai and Lanai shall designate collection sites for his/her personnel.

4. Contractor shall be an independent Contractor with authority to contact the DER or the Director's Contract Administrator (CA) shall have the right to inspect the work in progress to determine if the work is being performed in accordance with the contract. Furthermore, the Contractor shall be responsible for the actions of its employees and assumes the sole and entire liability for all loss, cost, damage or injury caused by the Contractor's employee. The Contractor shall be responsible for payment of income, social security and other Federal, State or local taxes it may be required to pay.
5. All services required shall be performed by the Contractor or his/her employees under his/her supervision, and all personnel assigned under this contract shall be fully qualified and shall be authorized under Federal, State and local laws to perform such services.
6. The Contractor shall maintain accounting procedures and practices acceptable to the State and shall maintain books, records, documents and other evidence that sufficiently and properly reflect all expenditures of any nature related to the Contractor's performance. The books, records and documents shall be subject at all reasonable times for inspections, review or audits by the State.
7. The Contractor shall allow the State to inspect and have access to records, reports, files and other related documents of the Contractor, to enable said agency or persons to monitor and evaluate the program, management and fiscal practices of the Contractor to assure proper expenditure of State and/or Federal funds.
8. The Department of Human Resources Development (DHRD) represents the consortium of state agencies with respect to random to alcohol and drug testing requirements. Changes in requirements or procedures in the execution of the contract will be coordinated with DHRD.

9. DHRD, will provide the Contractor with the number and scope of random alcohol and drug tests to be scheduled per island and the percent of employees to be selected for random testing per calendar year.
10. DHRD will provide the Contractor with the names of Department Designated Employer Representatives.
11. DHRD, DER or representatives will provide the Contractor with a list of employee numbers subject to random test at the initiation of testing, when changes to the list are made, and annually, as applicable.
12. Contractor shall provide DHRD with primary lists for alcohol and drug testing of employees subject to the conditions listed in numbers 10 and 11 above. The random lists shall be accomplished by a computerized random selection process.
13. Contractor shall provide the random test lists to DHRD at least 24 hours prior to the selected test date. The test date and 24 hour period shall be on working days for state employees.
14. Contractor shall collect alcohol and drug testing fees from user departments. Contractor shall prorate the cost for the development of the random list and quality requirement from user departments per employees tested.
15. Quality assurance and quality control measures as specified in 49 CFR 40.31 shall be instituted by the laboratory testing service. Blind samples, as required by the rules, shall be provided by DHRD on demand. The cost of the quality assurance and quality control measurements shall be incorporated in the unit cost for drug testing.
16. Any changes in DOT employees alcohol and drug testing rules or procedures shall be implemented by the laboratory testing service contractor after consultation with DHRD. Any proposed increase in the price list due to changes shall be negotiated with DHRD and approved by the State Procurement Office.
17. Contractor shall collect pre-employment drug testing fees and MRO fees from applicants. Contractor shall remit MRO fees to the MRO contractor on a quarterly basis or a period agreed upon by both contractors.

SPECIFICATIONS

MRO SERVICES

I. SCOPE OF WORK

The State of Hawaii is seeking a qualified Contractor who shall provide MRO services in accordance with the requirements found in the Omnibus Transportation Employee Testing Act of 1991 and the Federal Department of Transportation rules promulgated thereunder, specifically, 49 CFR Part 40, as amended.

II. STATEMENT OF WORK

The Medical Review Officer shall perform the following services:

1. Receive results of drug tests from laboratory;
2. Conduct administrative review of the control and custody form to ensure its accuracy;
3. Review and interpret an individual's confirmed positive test by:
 - a) reviewing the individual's medical history, including any medical records and biomedical information provided;
 - b) affording the individual an opportunity to discuss the test result; and,
 - c) deciding whether there is a legitimate medical explanation for the result, including legally prescribed medication;
4. Notify each employee who has a verified positive test that the employee has 72 hours in which to request the split specimen. If the employee requests an analysis of the split specimen within 72 hours of having been informed of a verified positive test, the MRO shall direct, in writing, the laboratory to ship the split specimen to another DHHS-certified laboratory for analysis. The employee shall pay for the confirmation test prior to shipment;
5. If the analysis of the split specimen fails to confirm the presence of drug(s) or drug metabolites (s) found in the primary specimen, or if the split specimen is unavailable or inadequate for testing, the MRO shall cancel the test and report the cancellation, and the reason for it to the Director and the employee;
6. If the employee has not contacted the MRO within 72 hours of being notified of a verified positive drug test, the employee may present to the MRO information documenting that serious illness, injury, inability to contact the MRO, lack of actual notice of the verified positive test, or other circumstances unavoidably prevented the employee from contacting the MRO in time;
7. If the MRO concludes that there is no legitimate explanation for the employee's failure to contact the MRO within 72 hours, then the MRO shall report a positive finding.

8. If, after the MRO makes all reasonable efforts (and documents them), and is unable to reach the individual directly, the MRO shall contact the Designated Employer Representative (DER) who shall then arrange to have the individual contact the MRO as soon as possible. If, after making all reasonable efforts, the DER is unable to contact the employee, the Department shall proceed with the action required by the DOT rules and this policy for a positive test result;
9. The MRO shall immediately inform the DER of confirmed positive results and send via confidential envelope to the Director a signed, written notification of the tests conducted.

The notification shall contain the following:

A statement that the test was conducted in accordance with DOT requirements;

The name of the individual for whom the test results are being reported;

The type of test conducted (e.g., random, post-accident);

The identities of the persons or entities performing the collection analysis of the specimens and serving as the Medical Review Officer for the specific tests;

The verified results of a controlled substances test, either positive or negative, and if positive, the identity of the controlled substance(s) for which the test was verified positive;

10. Maintain all necessary records and send test results reports to the Director;
11. Protect the employee's privacy and testing program confidentiality;
12. Provide expert testimony before judicial proceedings as may be called upon.

III. GENERAL REQUIREMENTS

1. Contractor shall be an independent Contractor with authority to control and direct the performance and details of the work and services; however, the Contract Administrator (CA) shall have the right to inspect the work in progress to determine if the work is being performed in accordance with the contract. Furthermore, the Contractor shall be responsible for the actions of its employees and assumes the sole and entire liability for all loss, cost, damage or injury caused by the Contractor employees. The Contractor shall be responsible for payment of income, social security and other Federal, State or local taxes it may be required to pay.
2. All services required shall be performed by the Contractor or his/her employees under his/her supervision, and all personnel assigned under this contract shall be fully qualified and shall be authorized under Federal, State and local laws to perform such services.

3. The Contractor shall maintain accounting procedures and practices acceptable to the State and shall maintain books, records, documents and other evidence that sufficiently and properly reflect all expenditures of any nature related to the Contractor's performance. The books, records, and documents shall be subject at all reasonable times for inspections, reviews or audits by the State.
4. The Contractor shall allow the State to inspect and have access to records, reports, files and other related documents of the Contractor, to enable said agency or persons to monitor and evaluate the program, management and fiscal practices of the Contractor to assure proper expenditure of State and/or Federal funds.
5. The MRO is prohibited from maintaining relationships with laboratories that could have the reality or create the appearance of conflict of interest.
6. The laboratory testing service shall establish provisions to collect any additional analytical, shipping or other charges from employees who request that a test of split specimen be sent to a different certified laboratory for analysis. These arrangements can only be made after the employee has consulted the MRO.
7. The laboratory testing service and the MRO shall submit employer reports as stated in 49 CFR 40 to DHRD.

SPECIAL PROVISIONS

1.0 SCOPE

The furnishing of Drug and Breath Alcohol Testing for the State of Hawaii, shall be in accordance with these Special Provisions, the attached Specifications, the SPO General Provisions and the AG General Conditions, Form AG-008 Rev. 11/3/2006.

A SPO price list will be issued as a result of any awards made for this IFB. Participating agencies will order on an "as needed" basis during the term of the contract.

Any Executive Department agency requiring special testing requirements not found in this price list, must obtain prior written approval from DHRD Director before contracting for services outside of the price list.

2.0 STATE'S COMMITMENT

In return for prices submitted the following purchasing jurisdictions will purchase all of their requirements for items listed herein from the successful low bidder(s):

1. Executive branch agencies
2. University of Hawaii
3. Department of Education
4. Judiciary

The State intends to integrate the employees' organizations at varying dates, pending ratification of contract terms and conditions.

A purchasing jurisdiction may elect not to extend its commitment to this contract beyond the initial contract term. Further, a purchasing jurisdiction not participating in the contract may, at the earliest, commit to the contract at the inception of a contract extension period, if any.

3.0 CONTRACT ADMINISTRATOR

For the purpose of this contract, Mr. Bob Nakamatsu, Department of Human Resources Development, or his appointed representative is designated Contract Administrator. He may be reached at (808) 587-1060.

4.0 TERM OF CONTRACT

The term of contract shall be for the period commencing on April 15, 2007, and ending on June 30, 2008.

Unless terminated, the contract may be extended without re-bidding, upon mutual agreement in writing between the State and the Contractor, prior to the expiration date, for not more than two (2) additional twelve (12) month periods, or parts thereof. Provided, however, the contract price for the extended period shall remain the same or lower than the initial contract price, subject to any price increase allowed by the contract.

The Contractor or the State may terminate any extended contract period at any time upon sixty (60) days prior written notice.

5.0 TESTING FOR OTHER DRUGS

The State reserves the right to include other drug(s) for testing under this contract when required by federal regulations or as required by bargaining unit agreements. Such additional services shall be incorporated into this contract by State's issuance of contract modification(s) which shall contain provisions for "just compensation" to the contractor. "Just compensation" as defined under this provision shall be a fair and equitable price and shall not exceed the prevailing market price for such additional services in the local market.

6.0 OFFEROR QUALIFICATIONS

In addition to meeting legal and other requirements of this solicitation, offeror must meet the following requirements to be considered for award.

- (1) **Experience**. Offeror must have at least three (3) years of experience within the preceding five (5) years of the bid opening date in Drug Testing as specified herein.

For the purpose of this OFFEROR QUALIFICATION requirement, "Offeror" is defined as:

- a) Offeror, whose exact legal name is furnished on Offer Form page OF-1; or
- b) Offeror's officer(s) and/or director(s).

If offeror is offering the experiences of its officer(s) and/or director(s) to qualify under this requirement, at least two of its officer(s) and/or director(s) must each have a minimum of three (3) years of experience within the preceding five (5) years of the bid opening date in providing Drug Testing.

Offeror shall submit with his/her bid, documentation that will substantiate compliance to this requirement.

- (2) **This requirement is specifically for Item 1 through 10 only:** Offeror's Ph.D.'s/M.D.'s and technologists who will be assigned to this contract must have a minimum of three (3) years of experience within the preceding five (5) years of the bid opening date in providing expert testimony. Such Contractor's personnel must also have an in-depth knowledge of the Omnibus Employee Testing Act of 1991, and other Federal and State laws, regulations and policies concerning Drug and Alcohol.
- (3) **References**: Offeror shall also provide at least three (3) references for which offeror has provided or is currently providing Drug and/or Breath Alcohol Testing or similar to those requested on this solicitation. All work for these references must have been performed within the past two (2) years of the bid opening date. Offeror shall list these references on the appropriate Offer Form page.

The State reserves the right to contact any of the listed companies to inquire about offeror's past or current performance.

- (4) **The following requirements apply to Item 1 through 10 only:** Offeror's laboratory for drug testing must be approved by the Federal Department of Health and Human Services and must comply with the following requirements:
- a) Laboratory must have on staff qualified technologists, M.D.'s and/or Ph.D.'s trained in toxicology.
 - b) Laboratory must have quality assurance programs documented and open for scheduled or unscheduled inspections.
 - c) Laboratory must have in operation a legally defensible protocol for documenting the authenticity of a testing specimen.
 - d) Laboratory must have in operation an established specimen integrity protocol.
 - e) Laboratory must have internal and external blind submission quality assurance programs.
- (5) **This following requirement is specifically for Item 11:** Offeror shall have a minimum of two (2) State licensed MROs who will be assigned to this contract and who are currently residing in the State of Hawaii. All MROs must have a minimum of three (3) years of experience within the preceding five (5) years in providing MRO services. The MRO must have attended a course on alcohol and controlled substance abuse as required in the federal DOT rules and provide a copy of the certificate of completion
- (6) **Locations:** At the time of bid opening offeror shall have local office/representative on the island of Oahu. Offeror shall list on Offer Form page the information on local office and/or responsible individual who can be contacted by the State on matters concerning this contract.
- (7) **Licensing:** The MRO shall be a physician licensed in the State of Hawaii and licensed by the State Department of Health as a MRO. The physician must be immediately available for testimony as may be required in the administration of the federal rules. Accountability for all actions of the MRO subject to Hawaii license and certification rules.
- (8) **Collection Sites.** Refer to Specifications page S-5 for the collection site requirement. Offeror shall list the collection sites on the appropriate Offer Form page. If offeror does not have the minimum required sites available at the time of bidding, the State will allow the lowest responsive, responsible offeror to submit the locations meeting the minimum requirement within the ten (10) working days from the State's request.
- (9) **Names of Ph.D.'s and Technologists or Licensed MRO's.** Offeror shall list on the appropriate Offer Form page: 1) at least two (2) Ph.D.'s and/or M.D.'s and two (2) technologists when bidding on Items 1 through 11; 2) and for Item 12, offeror shall list two (2) State licensed MRO to be used under this contract. Any proposed changes, reassignments or substitutions on this list during the contract performance period shall be submitted to the Contract Administrator.

7.0 BID PREPARATION

7.1 Offer Form, Page OF-1. Offeror is requested to submit its offer using Offeror's exact legal name as registered with the Department of Commerce and Consumer Affairs, if applicable; and to indicate exact legal name in the appropriate space on Offer Form, page OF-1. Failure to do so may delay proper execution of the contract.

The authorized signature on the first page of the Offer Form shall be an original signature in ink. If unsigned or the affixed signature is a facsimile or a photocopy, the offer shall be automatically rejected unless accompanied by other material, containing an original signature, indicating the Offeror's intent to be bound.

7.2 Bid Quotation. Unit bid prices shall include the following pricing inclusions and conditions:

1. Unit prices shall be firm for the term of the contract, including mutually agreed upon extension period(s).
2. Include all applicable taxes, except the GET, currently 4.5% for all sales made on Oahu, and/or 4% for all sales made on the islands of Hawaii, Maui, Kauai, Molokai and Lanai. The GET may be added to the invoice as a separate line item and shall not exceed the current rate for that island;
3. Submit prices in terms of the unit shown.
4. Submit prices and information on Offer Form pages.

7.3 Purchasing Card (pCard). Bidder is informed that all agencies of the Executive branch with the exception of the University of Hawaii, the Department of Education, and the Office of Hawaiian Affairs, shall use the State's purchasing card (pCard) for all orders totaling less than \$2500. Agencies may continue to issue purchase orders for their transactions with those contract vendors who do not accept the pCard or who assess customers for credit card usage. Agencies have also been instructed to indicate on the purchase order(s) that vendor does not accept the pCard or that vendor assesses a fee for credit card usage.

7.4 Tax Liability. Work to be performed under this solicitation is a business activity taxable under Chapter 237, HRS, and if applicable, taxable under Chapter 238, HRS. Vendors are advised that they are liable for the Hawaii GET at the current 4.5% for sales made on Oahu, and at the 4% rate for the islands of Hawaii, Maui, Kauai, Molokai and Lanai; and the applicable Use tax at the current 1/2% rate. If, however, an Offeror is a person exempt by the HRS from paying the GET and therefore not liable for the taxes on this solicitation, Offeror shall state its tax exempt status and cite the HRS chapter or section allowing the exemption.

7.5 Hawaii General Excise Tax License. Offeror shall submit its current Hawaii GET I.D. number in the space provided on Offer Form, page OF-1, thereby attesting that the Offeror is doing business in the State and that he will pay such taxes on all sales made to the State.

8.0 ELECTRONIC PROCUREMENT

The State has established the Hawaii Electronic Procurement System (HePS) to solicit invitations for bids (IFB) and requests for quotations (RFQ) for goods and services. Bidders interested in responding to this electronic solicitation must be registered on the HePS.

Registration information is available at the SPO website: www.spo.hawaii.gov; click on Hawaii Electronic Procurement System (HePS).

9.0 SUBMISSION OF OFFER

Offers shall be received at the SPO, 1151 Punchbowl Street, Kalanimoku Building, Room 416, Honolulu, Hawaii 96813, no later than the date and time stated on the cover page of the IFB. Timely receipt of offers shall be evidenced by the date and time registered by the SPO time stamp clock. Offers received after the deadline shall be returned unopened.

If the Offeror chooses to deliver its offer by United States Postal Service (USPS), please be aware that the USPS does not deliver directly to Room 416. This may cause a delay in receipt by the SPO and the offer may reach the SPO after the deadline, resulting in automatic rejection.

10.0 TESTING NUMBERS

The number of tests indicated herein are estimates for the period specified. No guarantee to provide the exact number of tests is intended or implied. The State reserves the right to order greater or lesser number of tests at the prices quoted in this solicitation. For this reason, vendors are cautioned that inventory hardships could arise from stocking testing materials for the State use only. In the event the estimated requirements do not materialize in the exact testing numbers listed herein, such failure shall not constitute grounds for equitable adjustment under this contract.

11.0 DISPOSITION OF OFFERS

Costs for developing the offers are solely the responsibility of the Offeror whether or not any award results from this solicitation. The State of Hawaii will not provide reimbursement for such costs. All offers become the property of the State of Hawaii. The successful offers will be incorporated in the resulting contract.

12.0 AWARD OF CONTRACT

12.1 Method of Award.

For Items 1 through 10 (Groups I through VI). Award, if any, shall be made to the responsive, responsible offeror submitting the lowest **Estimated Total Sum Bid for Groups I, II, III, IV and VI (Items 1 through 10)**. Offerors shall bid on all items (Items 1–10) to be considered for award.

For Item Number 11 only. Award, if any, shall be to the responsive, responsible offeror submitting the lowest **Estimated Total Bid for Group VII (Item 11)**. The requirements of 49 CFR Part 40 prohibit award to one offeror for Drug and Breath Alcohol Testing (Items 1 through 10) and MRO Services (Item 11). Accordingly, if the responsive, responsive low offeror for

Items 1 through 10 is also the lowest offeror on Item 11, award for Item 11 will be made to the second lowest responsive, responsible offeror.

Additionally, in order to be considered for award, Offeror shall be registered with Sicommnet. To register with Sicommnet, refer to the SPO website: www.spo.hawaii.gov. Click on the Hawaii Electronic Procurement System (HePS), then, HePS Vendor Registration Walk Through Instructions and HePS VENDOR REGISTRATION.

12.2 Hawaii Compliance Express. Refer to Section 26 of the SPO General Provisions. Vendors may choose to use the Hawaii Compliance Express (HCE), which allows businesses to register online through a simple wizard interface at <http://vendors.ehawaii.gov> to acquire a "Certificate of Vendor Compliance." The HCE provides current compliance status as of the issuance date. The "Certificate of Vendor Compliance" indicating that vendor's status is compliant with the requirements of §103D-310(c), HRS, shall be accepted for both contracting purposes and final payment. Vendors that elect to use the new HCE services will be required to pay an annual fee of \$15.00 to the Hawaii Information Consortium, LLC (HIC). Vendors choosing not to participate in the HCE program will be required to provide the paper certificates as instructed in Section 26, SPO General Provisions.

12.3 Timely Submission of all Certificates. The compliance certificates should be applied for and submitted to the SPO as soon as possible. If a valid certificate is not submitted on a timely basis for award of a contract, an offer otherwise responsive and responsible may not receive the award.

12.4 Tie Bids. Should the low bids from responsive, responsible Offerors be identical in price, award, if any, will be made to the Offeror who received the previous award. The same Offeror will continue to receive the award from the same item for succeeding contracts so long as all low bids are identical. When this methods or any other permissible method is not feasible, award will be determined by drawing lots.

12.5 Liability Insurance. The Contractor shall maintain in full force and effect during the life of this contract, liability and property damage insurance to protect the Contractor and his subcontractors, if any, from claims for damages for personal injury, accidental death and property damage which may arise from operations under this contract, whether such operations be by himself or by a subcontractor or anyone directly or indirectly employed by either of them. If any subcontractor is involved in the performance of the contract, the insurance policy or policies shall name the subcontractor as additional insured.

As an alternative to the Contractor providing insurance to cover operations performed by a subcontractor and naming the subcontractor as additional insured, Contractor may require subcontractor to provide its own insurance which meets the requirements herein. It is understood that a subcontractor's insurance policy or policies are in addition to the Contractor's own policy or policies.

The following minimum insurance coverage(s) and limit(s) shall be provided by the Contractor, including its subcontractor(s) where appropriate.

<u>Coverage</u>	<u>Limits</u>
Commercial General Liability (CGL) (occurrence form)	\$500,000 combined single limit per occurrence for bodily injury and property damage

The CGL insurance policy required by this contract, including a subcontractor's policy shall contain the following clauses:

1. "The State of Hawaii is added as an additional insured as respects to operations performed for the State of Hawaii."

2. "It is agreed that any insurance maintained by the State of Hawaii will apply in excess of, and not contribute with, insurance provided by this policy."
3. "It is agreed that any insurance maintained by the State of Hawaii will apply in excess of, and not contribute with, insurance provided by this policy."

Coverage

Limits

**Medical Professional Liability
(also known as Medical Malpractice
Insurance)**

**\$1,000,000 minimum limit
per occurrence**

The Medical Malpractice insurance policy required by this contract, including a subcontractor's policy, shall contain the following clause:

1. "This insurance shall not be canceled, limited in scope of coverage or non-renewed until after 30 days written notice has been given to the State of Hawaii, Department of Accounting and General Services, State Procurement Office, P. O. Box 119, Honolulu, Hawaii 96810-0119."
2. "It is agreed that any insurance maintained by the State of Hawaii will apply in excess of, and not contribute with, insurance provided by this policy."

The minimum insurance required shall be in full compliance with the Hawaii Insurance Code throughout the entire term of the contract, including supplemental agreements

Upon Contractor's execution of the contract, the Contractor agrees to deposit with the State of Hawaii certificate(s) of insurance necessary to satisfy the State that the insurance provisions of this contract have been complied with and to keep such insurance in effect and the certificate(s) therefore on deposit with the State during the entire term of this contract, including those of its subcontractor(s), where appropriate. Upon request by the State, Contractor shall be responsible for furnishing a copy of the policy or policies.

Failure of the Contractor to provide and keep in force such insurance shall be regarded as material default under this contract, entitling the State to exercise any or all of the remedies provided in this contract for a default of the Contractor.

The procuring of such required insurance shall not be construed to limit Contractor's liability hereunder nor to fulfill the indemnification provisions and requirements of this contract.

Notwithstanding said policy or policies of insurance, Contractor shall be obliged for the full and total amount of any damage, injury, or loss caused by negligence or neglect connected with this contract.

13.0 PERMITS, LICENSED, AND TAXES

The Contractor shall procure all permits and licenses, during the original or extended contract term, pay all charges, fees, and taxes, and give all notices necessary and incidental to the due and lawful prosecution of the work.

Failure to procure and maintain valid permits and licenses required by law and these specifications may be cause for the State to terminate the contract.

14.0 EXECUTION OF CONTRACT

Formal written contract(s) and performance and payment bonds (Section 3.3 and 3.4 of the GTC) will NOT be required for awards made in response to this IFB.

Successful offeror will receive a Notice of Award to which will be attached a SPO price list showing the item(s) which the respective offeror has been awarded. This method of award does not waive compliance with Specifications, Special Provisions, the SPO GP and the AG General Conditions.

15.0 INSPECTION AND/OR AUDITS

All work done shall be subject to inspection and approval by the Contract Administrator, so as to ascertain that the services rendered are in accordance with requirements and intentions of the Specifications and Special Provisions.

16.0 ORDERING

The State will place orders with the Contractor(s) as services are needed during the contract period, and will use either the pCard or purchase order as form of payment. The Contractor shall honor all orders received during the contract period and deliver according to the contract terms.

17.0 INVOICING AND PAYMENT

Contractor shall submit original and three copies of the invoice to the Director or the Department Coordinator with the complete address as provided on the purchase orders. Invoice should reference the SPO price list number.

The **State's purchasing card (pCard)** shall be used for all orders totaling less than \$2500. This requirement is for all agencies of the Executive branch departments with the exception of the University of Hawaii, the Department of Education, and the Office of Hawaiian Affairs. For contract vendors who do not accept the pCard, agencies shall continue to issue purchase orders for their transactions with that vendor.

Section 103-10, HRS, provides that the State shall have thirty (30) calendar days after receipt of invoice or satisfactory delivery of goods to make payment. For this reason, the State will reject any offer submitted with a condition requiring payment within a shorter period. Further, the

State will reject any offer submitted with a condition requiring interest payments greater than that allowed by Section 103-10, HRS, as amended.

The State will not recognize any requirement established by the Contractor and communicated to the State after award of the contract, which requires payment within a shorter period or interest payment not in conformance with statute.

18.0 REPORTS

Upon request, and at no additional cost to the State, the Contractor shall provide to the SPO an itemized list of the total quantities purchased by the State during the contract period. List shall reflect the total quantity for each line item awarded.

19.0 REMOVAL OF CONTRACTOR'S EMPLOYEES

Contractor agrees to remove any of its employees from services rendered or to be rendered to the State upon request in writing by the Contract Administrator.

20.0 RE-EXECUTION OF WORK

The Contractor shall re-execute any work that fails to conform to the requirements of the contract and shall immediately remedy and defects due to faulty workmanship by the Contractor. Should the Contractor fail to comply, the State reserves the right to engage the services of another company to perform the services and to deduct such costs from monies due to the Contractor.

21.0 VENDOR AND PRODUCT EVALUATION

21.1 Vendor and Product Evaluation. Form, SPO-12, revised 9/30/05, is made available to the user agencies for the purpose of addressing their concerns on the price list resulting from this price list.

21.2 Vendor Evaluation. In the event of a complaint regarding a Contractor's service (i.e. delivery delays, numerous backorders, failure to correct defective product deliveries, etc.), Contractor shall be sent a copy of the complaint(s). Contractor shall meet with or contact the agency that issued the complaint at the agency's place of business to resolve the problem. This shall take place within one (1) week of notification. Contractor shall contact and inform the SPO specialist as to the corrective measures taken to resolve the complaint.

Should the Contractor consistently receives complaints for poor service or refuses to resolve the complaints, the Procurement Officer reserves the right to terminate the contract and/or initiate the debarment process pursuant to Chapter 3-126, HAR, Legal and Contractual Remedies.

The resolving of complaints pursuant to product and vendor evaluation notifications shall be done at no additional charge to the State.

22.0 LIQUIDATED DAMAGES

Liquidated damages is fixed at the sum of FIFTY DOLLARS (\$50.00) for each and every day the Contractor fails to perform in whole or in part any of its obligations hereunder, which liquidated damages may be deducted from any payments due or to become due to the Contractor.